

SENATE BUDGET COMMITTEE
DEMOCRATIC CAUCUS
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**STATEMENT BY SENATOR KENT CONRAD (D-ND)
ON CBO'S SUMMER 2004 BUDGET UPDATE**

It is not surprising that amid all the talk at the Republican convention last week, we heard not one word about how the Bush administration has run up the largest federal budget deficits in history. The deficits and growing debt are a major embarrassment for this administration and provide the clearest evidence of the fiscal irresponsibility of the President's economic policies.

CBO's new estimates confirm that the deficit will reach a new record this year, \$422 billion, breaking last year's record deficit by \$46 billion. The Bush administration's attempt to portray this record deficit as an improvement by citing its inflated February projection represents a blatant effort to mislead the American people about the true fiscal condition of the nation.

By providing deficit estimates for the full ten-year budget window, instead of the limited five-year estimates released by the Bush administration, CBO's figures also highlight the deteriorating long-term budget outlook we now face. When we factor in the cost of making the President's tax cuts permanent, funding for the President's defense buildup, the likely cost of ongoing military operations in Iraq and Afghanistan and in the continuing war on terrorism, and the cost of reforming the Alternative Minimum Tax, we can expect to see large deficits and unsustainable debt for as far as the eye can see.

It didn't have to be this way. Our nation's finances are a mess largely because of the reckless fiscal policy decisions made by this administration. It is long past time for us to put America back on a course rooted in sound economic principles and fiscal responsibility.

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